

SENATE BILL 1535

By Beavers

AN ACT to amend Tennessee Code Annotated, Title 9,
Chapter 4, Part 52, relative to the estimated rate of
growth of the state's economy.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 9, Chapter 4, Part 52, is amended by deleting § 9-4-5201 in its entirety and by substituting instead the following:

Section 9-4-5201.

(a) The estimated rate of growth of the state's economy shall be based upon the Tennessee fiscal growth factor.

(b) For purposes of this part,

(1) "Tennessee fiscal growth factor" means the average of the sum of inflation and population change for each of the prior three fiscal years;

(2) "Inflation" means the percentage change in the implicit price deflator for the United States for each fiscal year as published by the federal bureau of labor statistics; and

(3) "Population change" means the percentage change in state population for each fiscal year as reported by the department of economic and community development.

SECTION 2. Tennessee Code Annotated, Section 9-4-5203, is amended by deleting subsection (a) in its entirety and by substituting instead the following:

(a) The budget document presented by the governor to the general assembly shall include a statement or projection of Tennessee fiscal growth factor as provided in § 9-4-5201, for the ensuing fiscal year, for the calendar year in progress, for the fiscal year in progress, for the latest completed calendar year, and for calendar year 1977.

SECTION 3. Tennessee Code Annotated, Section 9-4-5203, is amended by deleting subsection (c) in its entirety and by substituting instead the following:

(c) When in any budget document the percentage increase of recommended appropriations from state tax revenues exceeds the percentage increase of estimated Tennessee fiscal growth factor as defined in § 9-4-5201, for the ensuing fiscal year, the governor shall submit a bill or bills for introduction in both houses of the general assembly which shall contain no other subject matter and shall set forth the dollar and percentage by which the estimated growth of the state's economy is exceeded by the appropriations of state tax revenue in accordance with the Constitution of Tennessee, art. II, § 24.

SECTION 4. Tennessee Code Annotated, Section 9-4-5203, is amended by deleting subsection (d) in its entirety and by substituting instead the following:

(d) When the percentage increase of appropriations of state tax revenue by the general assembly exceeds the percentage increase of estimated Tennessee fiscal growth factor as defined in § 9-4-5201, for the ensuing fiscal year, the general assembly shall by law containing no other subject matter, set forth the dollar and the percentage by which the estimated growth of the state's economy is exceeded by the appropriations of state tax revenue in accordance with the Constitution of Tennessee, art. II, § 24.

SECTION 5. This act shall take effect July 1, 2007, the public welfare requiring it.